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What Program Is Right For You?

Session 922 & 924

Presented by
Ron Suttles, Wayne Price and Michael Sendelbach

Ohio Bureau of Workers' Compensation

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What Program is Right For You?

- How does BWC determine what is the best program for an employer?



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Coverage Basics

- Employers are required by law to cover employees with workers' compensation coverage through the State of Ohio Insurance fund

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Workers Compensation Act

- Allowed for protection for employers as well as employees
- No-fault insurance
- No individual liability for the employer
- Benefits for the worker
- State operates as underwriter, trustee, and arbiter

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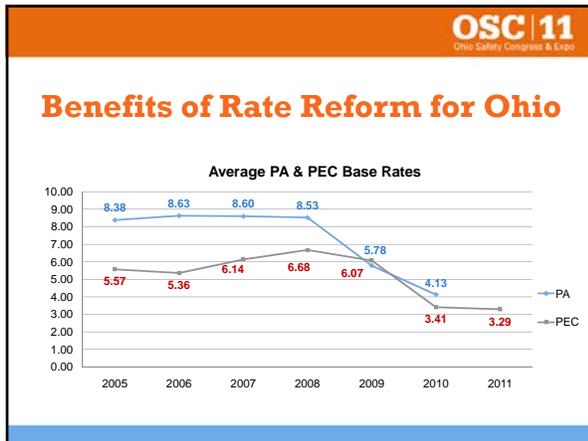
Benefits of Rate Reform for Ohio

- A more competitive environment for new business investment
- Rate continuity
- Premiums more closely aligned with exposure to risk

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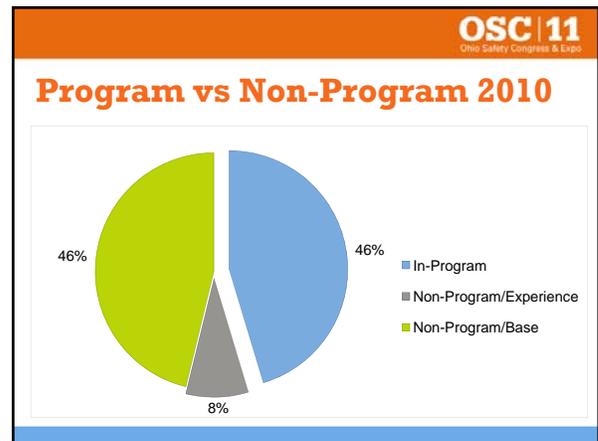
Benefits of Rate Reform for Ohio

- Premium stability through EM capping
- New safety program requirements for those participating in Group-Experience and/or Group-Retrospective-Rating programs
- Availability of insurance industry-accepted deductible programs



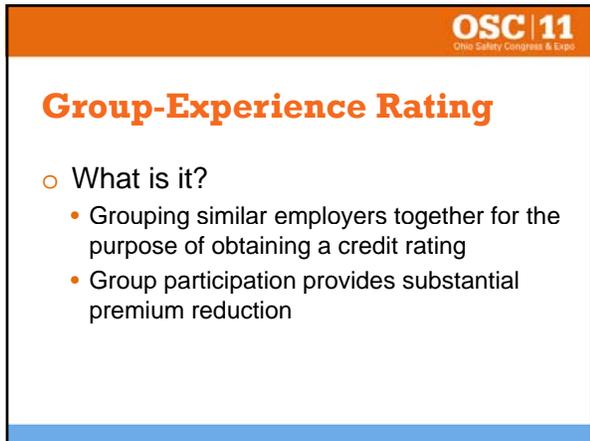
- OSC | 11**
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- ### BWC Employer Programs
- Group-Experience Rating
 - 100% EM Capping Program
 - One-Claim Program
 - Drug-Free Safety Program

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- ### BWC Employer Programs
- Deductible Program
 - Group-Retrospective Rating
 - Individual-Retrospective Rating
 - Self-Insurance



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- ### Common Program Eligibility Requirements
- Be current
 - on all undisputed premiums
 - on any part-pay agreement
 - Not have cumulative lapses greater than 40 days in the past 12 months

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- ### Program Deadlines
- Last Business day February/August
 - Group Rating
 - Group Retrospective Rating
 - Last Business day April/October
 - Deductible
 - Individual Retrospective Rating
 - Drug Free Safety Program
 - One Claim Program



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Monday through Friday
7:30 a.m. - 5:30 p.m.
Click here to get help!

upfront premium discount by agreeing to pay a per claim deductible

FlexPay
Alternative method of paying your premium.

One Claim Program
Designed for employers recently removed from a group experience rating program. This program can earn them up to a 40-percent discount in premium.

LSS options for state agencies
View lump sum settlement options for eligible public employer state agencies.

Group experience rating
Join a group within your industry to combine your experience and claims with other group members to receive a premium discount.

\$15,000 Medical-Only Program
Learn more about how you can take ownership of the costs for your medical-only claims up to \$15,000.

workplace injuries and improve safety can benefit from this integrated safety plan.
Note: Employees who want to participate in EM capping must complete this plan. [EM Capping](#)

This cap on an individual employee's experience modifier (EM) minimizes the effects of a significant premium increase. It is equal to 100 percent of the previous year's published EM whether it was an individual or group EM.

Transitional work
A transitional work program can keep your injured employees on the job and lower your workers' compensation and human resources costs.

State construction contractors
View drug free safety program requirements for all state-administered construction contracts and construction sites.

Group retrospective rating
Join a group within your industry, contribute to the individual premium, and then receive retrospective premium adjustments based on the combined performance of the group.

Individual retrospective rating
Individual employers can possibly earn a premium reduction by achieving a portion of the risk.

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of which you are a governing member.

Group criteria
Groups must demonstrate a common purpose and possess proven results from safety and loss-control practices. This helps confirm that the group's loss experience will differ from an individual employer's experience.

BWC adjusts rates for groups that use experience-rating credibility tables appropriate to the employers taken as if the group was one big company. The group-experience-rating plan is an annual plan for the rating of a policy year.

Largest possible discount and average discount statistics
The maximum possible discount an employer in the group-experience-rating program may receive is 51 percent. You may see marketing materials that reference a higher discount, such as 65 percent. Discounts this large are not possible in the group-rating program.

Not only is this discount unattainable, but marketing a discount greater than 51 percent is a violation of Ohio law. BWC may take action against a sponsoring association that provides inaccurate quotes. Should you receive any copies of materials that provide discounts exceeding 51 percent, please fax them to 614-621-5799.

Group experience rating sponsors
Organizations choosing to sponsor groups must be certified by BWC. Click on the link below to see the current list of group-rating sponsors.

[BWC-Certified Sponsor List, Group Experience Rating Program and Group-Retroactive Rating Program](#)

Program deadlines for private and public employers
For private employers, BWC must receive applications from the group sponsors by the last business day in February of the rating year for which they are applying.
For public employers, BWC must receive applications from the group sponsors by the last business day in August of the year immediately before the rating year for which they are applying.

Related links
[Group experience rating - additional contact information](#)
[Find a group by industry type](#)
[BWC Rules and Guidelines page](#) - see OAC 4123-17-74 and related appendices

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Home | Inland Workers | Ohio Employers | Safety Services | Medical Providers | BWC Library

Focus on Ohio Employers

Accident/Injury Info »
Claim Costs/Reserves »
Claim Info »
Claim Payment »
Claim Reference Info »
Communications profile
Custom Services »
Payroll/Premium »
Rates »
Policy Management »
Programs »
Quick pay
Safety Services »
Self-Insured »
State-fund guide
Forms
Section Map
Log Off

OhioBWC - Employer - Form (Group-experience rating) - Enter policy number

Group-experience rating

If you currently have BWC coverage and are considering applying for a group-experience rating plan, narrow down the list to groups that would be uniform to your industrial pursuit.

Simply enter your policy number, and click next.

Policy number: 9999999 - 0
OR -
Federal tax ID:
(or) SSN: - -
next

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Ohio Employers

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Claim Costs/Reserves »
Claim Info »
Claim Payment »
Claim Reference Info »
Communications profile
Custom Services »
Payroll/Premium »
Rates »
Policy Management »
Programs »
Quick pay
Safety Services »
Self-Insured »
State-fund guide
Forms
Section Map
Log Off

Employer: Wayne Price Trucking
OhioBWC - Employer - Service (Group rating) - Results Policy #: 9999999

Industry group PA05-Transportation

This is a list of groups associated with your industry as identified by the industry group listed above. You also see a description, the third-party administrator (TPA) and a phone number for each group.

The list is accurate for the current rating year. However, the organizations listed may not be BWC-certified or may not plan to form groups for the upcoming rating year. Contact the TPA or sponsoring organization directly to make sure they are certified, and they will have a group in the upcoming year.

Group	Description	TPA Name	Phone No.
00005	FARM BUREAU FEDERATION C	COMPMANAGEMENT, INC.	800-825-6755
00092	TOLLENO TRUCKING RD 5B	V & A RISE SERVICES	419-867-1044
02345	TRANSPORTATION GRP A	PROCOMP RISK ADVISORS, LTD.	865-302-2567
04141	NFB TRANSPORTATION GR B	CAREWORK CONSULTANTS, INC.	614-764-7600
01728	BBB/GCC/TRANSPORTATION PLAN 01	SHEARLEY UNISERVICE	614-771-2277
03293	NFB TRANSPORTATION GR 2B	CAREWORK CONSULTANTS, INC.	614-764-7600
03517	SAD9 NESC09-09	TRIDENT RISK ADVISORS	614-560-7764
03635	OHIO CHAMBER OF COMMERCE - 05-0140	FRANK GATES SERVICE CO.	614-793-8000
03638	OHIO CHAMBER OF COMMERCE - 05-0210	FRANK GATES SERVICE CO.	614-793-8000
03640	OHIO CHAMBER OF COMMERCE - 05-0310	FRANK GATES SERVICE CO.	614-793-8000

1 - 10 of 37 [Fast Records](#)

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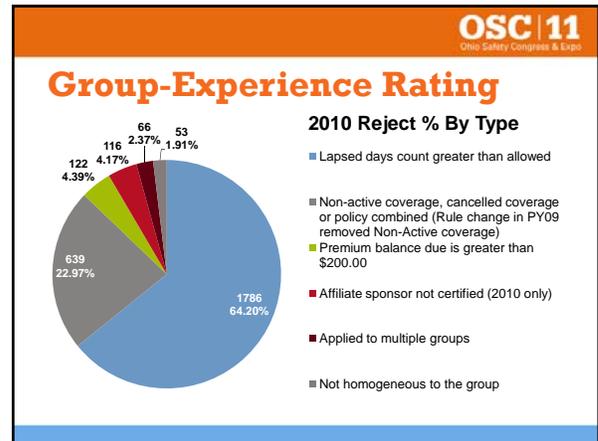
Group-Experience Rating

- Who should apply
 - Employers that have little or no claims cost in their five year risk experience

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Group-Experience Rating

- Risks
 - Premiums can be affected by other group members
 - Easy to get in group, easy to be removed from group
 - Potential for drastically increased premiums if removed



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Group-Experience Rating

- Contact information
 - E-mail: grouprating@bwc.state.oh.us

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What Program is Right For You?

100% EM Capping

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100% EM Capping

- What is it?
 - A program that will cap an individual employer's experience modifier (EM)

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100% EM Cap

- Eligibility criteria
 - Individual EM for the current policy year of 1.01 or higher (debit rated)
 - In the first year, complete steps one, two, six and any other two steps of the 10-Step Business Plan

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100% EM Cap

BWC's 10-Step Business Plan

1. [Visible active senior management leadership](#)
2. [Employee involvement and recognition](#)
3. [Medical treatment and return to work practices](#)
4. [Communications](#)
5. [Timely notification of claims](#)
6. [Safety and health process coordination and employer education](#)
7. [A written orientation and employee training plan](#)
8. [Written and communicated safe work practices](#)
9. [Written safety and health statement or philosophy](#)
10. [Recordkeeping and data analysis](#)

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100% EM Cap – Year 1

- BWC runs eligibility 6/1 each year
- U-18 Acknowledgement is due 9/30 for PA and 3/31 for PE
- 2286 Policies were eligible for PY2010

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100% EM Cap – Year 1

- 100% EM Cap – Example
 - Employer with July 1, 2008 EM of 0.31 (69% credit)
 - Projected July 1, 2009 EM for 2009 1.16
 - July 1, 2009 “Capped” EM = 0.62 (38% credit)

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100% EM Cap – Year 1

- 100% EM Cap – Example (cont)
 - Employer with July 1, 2008 EM of 0.31 (69% credit)
 - Projected July 1, 2009 EM for 2009 1.16 (Premiums of \$100,000)
 - July 1, 2009 “Capped” EM = 0.62 (Premiums of \$55,000)
 - July 1, 2009 Cap Program savings = \$45,000

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100% EM Cap – Year 2

- Capped in PY 2009 and in PY 2010
- 370 policies continued into the 2nd year
- Notify BWC in writing to request withdrawal

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100% EM Cap

- Risks
 - Failure to implement 10-Step Business Plan results in removal

100% EM Cap

- Contact information
 - E-mail: 100-PercentEMCap@bwc.state.oh.us

What Program is Right For You?

One-Claim Program

One-Claim Program

- What is it?
 - Program for private employers not renewing into a group-rating program
 - Helps employers lessen the impact of a single uncharacteristic claim
 - 40-percent discount off of their base rate for up to four years
 - The claim must be entering your experience for the first time

One-Claim Program

- How to apply
 - BWC will notify eligible employers
 - Must complete and submit application
 - Must maintain active coverage as of the deadline date
- OCP training requirements
 - Participants must attend one Step 6 class

One-Claim Program

- Who should apply
 - Any employer that was in Group Rating the prior year and ineligible for the current year
 - If you receive an application

One-Claim Program

- Risks
 - Not meeting educational requirements
 - Additional claims cost entering experience

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One-Claim Program

- Contact information
 - E-mail: OneClaimProgram@bwc.state.oh.us

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What Program is Right For You?

Drug-Free Safety Program

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Drug-Free Safety Program

- What is it?
 - Part of a company's overall safety program
 - A loss-prevention strategy that addresses workplace use and misuse of alcohol and other drugs
 - Basic level 4%
 - Advanced level 7%
 - Comparable No Discount

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Drug-Free Safety Program

- How to Apply
 - Online application
 - Employers receive approval letter
 - DFSP Guide and DFSP Self-Implementation Workbook available online

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Drug-Free Safety Program

- Participation
 - About 8,000 employers enrolled
 - 25% at Advanced level
 - 25% at Basic level
 - 50% at Comparable

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Drug-Free Safety Program

- Risks
 - Unclear DFSP policy
 - Inconsistent and discriminatory application of the policy

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Drug-Free Safety Program

- Contact information
 - E-mail: dfsp@bwc.state.oh.us

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What Program is Right For You?

Deductible Program

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Deductible Program

- What is it?
 - Employers may lower their premiums by selecting a per claim deductible
 - Encourages employers to focus on workplace health and safety

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Deductible Program

- How to apply
 - Employer submits an Application U-148
 - Online, fax or by mail
 - Select a deductible amount
 - Deductible levels vary based on the amount of annual premium

Deductible amount	Option A: Premium discount factor	Option B: Premium discount factor with aggregate stop loss
\$500	4.1%	not applicable
\$1,000	6.3%	not applicable
\$2,500	10.0%	not applicable
\$5,000	14.2%	not applicable
\$10,000	21.2%	not applicable
\$25,000	32.0%	13.0%
\$50,000	44.0%	24.0%
\$100,000	56.9%	42.0%

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Deductible Program

- A credit review is obtained on all applicants
- Dunn and Bradstreet provides credit information to BWC

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Deductible Program

- Large Deductible Program key points
 - 40% of previous years premium
 - 15 Lapse days/ 5 years
 - Additional financial requirements
 - GAAP audited financials
 - Aggregate level may be selected to act as a stop loss

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Deductible Program

Category	Pr 2009	Pr 2010
Small	185	150
4-2000	150	145
5-2,000	105	95
5-2,000	55	45
5-2,000	107	95
5-2,000	0	0
5-2,000	0	0
5-2,000	0	0
5-2,000	0	0
5-2,000	0	0

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Deductible Program

- Risks
 - The amount saved versus the deductible amount

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Deductible Program

- Contact information
 - E-mail: DeductibleProgram@bwc.state.oh.us

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What Program is Right For You?

Group-Retrospective Rating

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Group-Retrospective Rating

- What is it
 - Performance based incentive program
 - Group similarities
 - Eligibility criteria are the same as Group

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Group-Retrospective Rating

- Additional criteria
 - Eligibility criteria
 - Exceed one million dollars in premium
 - At least two employers
 - Annual enrollment (no rollover)

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Group-Retrospective Rating

- Who Should Consider
 - Slightly penalty rated employer
 - Employers not selected for group
 - Rejected from group

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Group-Retrospective Rating

- Evaluation period
 - Three year period immediately following end of policy year
 - Annual evaluations
 - July 1, 2009 program participants
 - 12 month evaluation period – June 30, 2011
 - 24 month evaluation period – June 30, 2012
 - 36 month evaluation period – June 30, 2013

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Group-Retrospective Rating

- How to apply
 - Apply through a trade association or other organization of which you are member

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Group-Retrospective Rating

Group-Retrospective Rating Enrollment

Year	Number of Groups	Private Employers	Public Employers
2009	7	366	0
2010	23	964	54
2011	6	188	0

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Group-Retrospective Rating

- Risks
 - Excessive claims during the policy year
 - No upfront discount
 - Success/Performance dependent on other members of your Group

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Group-Retrospective Rating

- Contact information
 - E-mail: Retro.Group@bwc.state.oh.us

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What Program is Right For You?

Individual Retrospective Rating

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Individual Retrospective Rating

- What is it
 - Premium discount for assuming a portion of the risk
 - Experience premium \$150,000 annually
 - Agree to 10 year claim cost liability
 - BWC bills the employer annually for claim costs

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Individual Retrospective Rating

- How to Apply
 - Complete application
 - Submit necessary documentation
 - Must be able to show financial strength and stability
 - Submit 5 years of GAAP audited financial statements
 - No automatic renewals

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The screenshot shows the Ohio Bureau of Workers' Compensation website. At the top, there are navigation links: Home | Injured Workers | Ohio Employers | Safety Services | Medical Providers | BWC Library. Below this is a banner for the OSC 11 event. The main content area includes a 'Register now' section with a form for 'BWC Policy Number' and a 'Register now' button. To the right is an 'E-account login' section with fields for 'User ID' and 'Password', and a 'Sign on' button. Below the main content are 'Quick links' for 'File a claim', 'Apply for coverage', 'View claim documents', and 'Pay premium'. At the bottom, there is a footer with 'Board of Directors', 'Annual report', 'About BWC', and 'Ohio BWC Board of Directors' information.

Individual Retrospective Rating

- Application deadline
 - Last business day of April for Private employers
 - Last business day of October for Public employers

Individual Retrospective Rating

- Eligibility Requirements
 - Current on all outstanding balances
 - Tier 2 applicants may be enrolled in a partial pay program and must be current
 - No more than 15 lapse days in the most recent 5 years

Individual Retrospective Rating

- Tier 1
 - Financially strong
 - Offers more choices
 - Must have an approved safety program
 - BWC's 10-Step Business Plan recommended
- Tier 2
 - Not as financially strong
 - Limits choices and liability
 - Must implement BWC's 10-step Business Plan

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Individual Retrospective Rating

- Per Claim Limits
 - Tier 1
 - \$100,000
 - \$125,000
 - \$200,000
 - \$300,000
 - \$400,000
 - No limit
 - Tier 2
 - \$100,000
 - \$125,000

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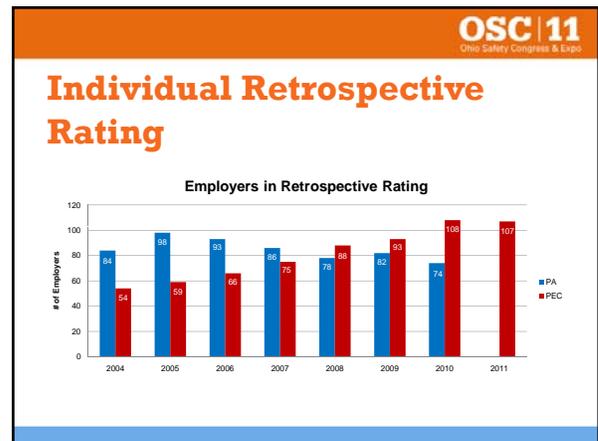
Individual Retrospective Rating

- Maximum Premium
 - Tier 1
 - 150%
 - 200%
 - Tier 2
 - 150%

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Individual Retrospective Rating

- Risks
 - Responsible 10 years for any claims that occur during the retrospective-rating year
 - Claims cost exceeding the upfront discount



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Individual Retrospective Rating

- Contact information
 - E-mail: retrorating@bwc.state.oh.us

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What Program is Right For You?

Self-Insurance

Self Insurance

- Approximately 1,200 SI Employers
- SI Requirements
 - Must have 500 employees in Ohio
 - Operated in Ohio for 2 years
 - Must be able to show financial strength
 - Plan of action on how the employer will self-administer their workers' compensation program

Self Insurance

- BWC responsibilities
 - Underwrite new and renewal applications
 - Bill and collect semi-annual SI assessment
 - Audit SI employers
- SI employer's responsibilities
 - Appropriate fulfillment of SI program
 - Yearly renewal of SI policy
 - Yearly assessment reporting and payment
 - Audit compliance

Self Insurance

- Risks
 - Financially responsible for ALL claim costs
 - Potential for additional securitization based upon financial risk presented to the SI Fund
 - Solely responsible for administration of all workers' compensation claims
 - Paying claims
 - Adjudicating
 - Provider Issues

Self Insurance

- Contact information
 - E-mail: SIINQ@bwc.state.oh.us

What Program is Right For You?

Complaint Processing

Complaint Processing

- Appeal BWC decision to business unit
- Business unit reviews appeal
- File Legal-15 form to request a hearing
- Adjudication Committee hearing
- Administrator's Designee hearing

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Policy Status Changes

- What do to if there is a merger
 - Submit Form U-118
 - Group rates will transfer from predecessor to successor if criteria is met
- How to change a policy
 - Submit Form U-117

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Cancelling Coverage

- You must notify BWC in writing of your desire to cancel either by
 - Filling out the Policy Update section of the payroll report. Indicate your desire to cancel and include the effective date; OR
 - Writing a letter stating that you wish to cancel coverage. Include the date you last had an employee and the date you wish to cancel

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Contact us if you have questions

Michael Sendelbach – (614) 466-6685
Wayne Price – (614) 752-6742
Ron Suttles – (614) 644-7832

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BWC Programs

Looking to reduce costs and protect your work force?
Learn more about BWC's incentive programs and safety services by visiting us online at ohiobwc.com.